



DEPARTMENT OF THE NAVY
SPACE AND NAVAL WARFARE SYSTEMS COMMAND
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SPAWARINST 4380.3C
SPAWAR 061
14 Mar 03

SPAWAR INSTRUCTION 4380.3C

From: Commander, Space and Naval Warfare Systems Command

Subj: SMALL BUSINESS INNOVATION RESEARCH (SBIR) PROGRAM

Ref: (a) Public Law (PL) 97-219, 1 Oct 82, as amended by
PL 99-443 and PL 102-564
(b) PL 106-554, 21 Dec 00
(c) Policy Directive No. 65-01, U.S. Small Business
Administration
(d) Plan to Facilitate the Transition of SBIR
Technologies into Acquisition Program, Under
Secretary of Defense (Acquisition and Technology),
2 Feb 99
(e) SECNAVINST 4380.7A
(f) SPAWAR SBIR Process Manual,
<https://vpo.spawar.navy.mil/SBIR/master.nsf>

1. Purpose. This instruction sets forth the requirements and procedures for implementing the Space and Naval Warfare Systems Command (SPAWAR) Small Business Innovation Research (SBIR) Program as required by references (a), (b), (c) and (d). References (a) and (b) establish and reauthorize the SBIR Program as a statutory requirement. The regulatory and policy guidelines are contained in reference (c). Reference (d) enables acquisition programs to leverage their investment in SBIR technologies. It was developed in response to section 818 of PL 105-261. Reference (e) delineates the responsibilities of the Office of Naval Research (ONR) and the Systems Commands (SYSCOMs) and directs each SYSCOM to involve Navy Research and Development (R&D) Centers and other activities, as appropriate, in the SBIR Program. Reference (f) contains amplified procedures for SPAWAR's SBIR process. It is hereby made part of this instruction.

2. Cancellation. SPAWARINST 4380.3B is cancelled.

3. Background. The Small Business Innovation Development Act of 1982, reference (a), effective 1 October 1982, directed that small businesses receive, at a minimum, a fixed percentage, specified by law, of the R&D awards made by designated Federal agencies that have research or R&D budgets in excess of \$100,000,000. Reference (b) reauthorized the

SBIR Program through 30 September 2008. Reference (b) also affirmed that the rights to data generated during the performance of an SBIR award apply to all SBIR-funded awards, including Phases I, II, and III.

4. Program Description

a. SBIR is the primary vehicle through which the Federal Government funds R&D projects by small technology companies. The program's purposes are to:

- (1) Stimulate technological innovation.
- (2) Use small businesses to meet Federal R&D needs.
- (3) Foster and encourage participation by minority and disadvantaged persons in technological innovation.
- (4) Increase private sector commercialization of innovations derived from Federal R&D.

b. The SBIR Program is a uniform process of soliciting proposals and awarding contracts for research or R&D to meet Federal agencies' needs. The SBIR Program is divided into three phases. The first two phases are intended to help Federal agencies meet their research or R&D objectives. The third phase should involve follow-on non-SBIR funded R&D or production contracts with SPAWAR or other Federal agencies. Where appropriate, it is also intended to permit small businesses to pursue commercial applications from the government-funded research.

(1) Phase I is defined as the solicitation of proposals from small businesses to conduct feasibility studies of innovative ideas in response to SPAWAR's research or R&D needs and the support of those proposals selected based on scientific or technical merit. The objective of this phase is to determine the technical feasibility of the proposed effort and the quality of performance of the small business, using a relatively small SPAWAR investment prior to the consideration of further SPAWAR support in Phase II.

(2) Phase II is the principal research or R&D effort. Only awardees of contracts in Phase I are eligible to participate in Phase II. Selection of Phase II contractors is based upon the results of the Phase I effort and the

scientific and technical merit of the Phase II proposal. Phase II proposals will be prepared and submitted by contractors in accordance with the detailed instructions provided to all Phase I awardees by the SPAWAR SBIR Program Office. The objective of Phase II is to continue the research or R&D initiated under Phase I based on SPAWAR's needs; however, SPAWAR is not obligated to fund any specific Phase II proposal.

(3) Phase III is to be conducted with follow-on non-SBIR funded R&D or production contracts with SPAWAR for potential products or processes intended for use by the United States Government. The small business may also pursue commercial applications of the government research or R&D funded in Phases I and II.

5. Policy

a. In order to ensure that SBIR data rights are protected in accordance with reference (b), any effort that receives SBIR funds under Phase I, shall continue under the cognizance of the SPAWAR SBIR Program Office through all Phase III awards.

b. Transition of SBIR technologies to SPAWAR programs shall be considered an integral element of transition planning.

6. Funding

a. In accordance with references (b) and (e), resources to fund the SPAWAR SBIR Program shall be made available from the Navy RDT&E appropriation categories as determined by the U.S. Congress.

b. SPAWAR acquisition programs may supplement funding for any SBIR contract with program funds related to the contract task.

c. In accordance with reference (d), SPAWAR will provide a Phase II company with additional Phase II SBIR funding (in excess of the base Phase II amount) if an acquisition program or the private sector provides funding for a Phase III contract while the Phase II contract is still open.

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d. Internal financial management process and funding allocations will be accomplished through the SPAWAR SBIR Program Office.

7. Responsibilities

a. SPAWAR Code 061:

(1) Has overall management responsibility for the SPAWAR SBIR Program.

(2) Chairs the SBIR Advisory Panel as a nonvoting member unless a tiebreaker is required.

b. SPAWAR Program Directorates:

(1) To ensure the visibility of the SBIR Program, Program Directorates (PD) shall assign a senior engineer or scientist to represent the PD's research or R&D needs on the SBIR Advisory Panel.

(2) In accordance with reference (d), PDs should fully utilize SBIR taxed dollars by planning for the transition of SBIR funded technologies to SPAWAR systems.

c. SBIR Advisory Panel:

(1) Voting members are representatives from each of the SPAWAR PDs, the Chief Engineer (Code 05), and the Chief Technology Office (Code 06).

(2) Meetings are held on an as-needed basis.

(3) Members stay apprised of SBIR efforts within their Directorate's cognizance including plans to transition the technology to a SPAWAR system.

(4) Members act as experts on requirements generated by their cognizant PDs; support these requirements during the Advisory Panel review; and explain how the requirement will benefit SPAWAR and the war fighter.

d. SPAWAR Code 061-4:

(1) Has overall administrative responsibility for the SBIR Program within SPAWAR to ensure that the SBIR

requirements are met in accordance with higher-level direction.

(2) Serves as the central point of contact within SPAWAR for SBIR matters and resolves all issues related to the SBIR Program including Congressional inquiries and legal matters.

(3) Interfaces with small businesses to advise them on the SBIR process and how to best leverage their SBIR technology.

(4) Keeps SBIR Advisory Panel members, and engineers and scientists involved in the SBIR Program informed of changes in the SBIR Program, process, and emphasis. These changes may reflect the interests of Congress, the Small Business Administration (SBA), DoD, or ONR.

(5) Coordinates with ONR and other Navy and DoD SBIR Program Managers regarding program policy and implementation.

(6) Ensures that there is a transition path for all SBIR-developed technologies to SPAWAR systems.

(7) Provides guidance and oversight to SPAWAR Systems Center (SSC) San Diego and other SSCs participating in the SPAWAR SBIR Program.

(8) Manages and administers SBIR funds and maintains appropriate fiscal records.

(9) Serves as the procurement office for SBIR procurements and all contract modifications.

(10) Develops and provides SBIR Program reports as required by DoD and DoN.

/s/
K. D. SLAGHT

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